submitted by a committee appointed for the purpose. Mention has already been made of the report of the P. W. D. Workshops Committee and it is hoped that the orders to be passed on that report would result in a substantial reduction of expenditure on that institution. A scheme is also in contemplation under which the Central Prison will show an increased output from its textile section, meeting more largely the requirements of the several departments of Government in respect of such articles as *dungaree* cloth, tape and towels. With a view to obviate malpractices, Government stamp papers of values ranging from Re. 1 to Rs. 10 have been made to replace labels of the same denominations from the beginning of the current year, while labels of a larger size have been issued as regards stamps of the half-rupee denomination, providing space therein for the entry of the name and the signature of the purchaser and the vendor respectively.

59. The several measures adopted in recent years to improve the efficiency of the Secretariat and other public offices have been detailed in my previous Addresses and do not call for recapitulation. The rate of increase in administrative and clerical work due to the adoption of new and progressive policies has, however, been too rapid to be fully overtaken by those measures, and it is becoming increasingly manifest that further measures to secure simplification of routine and expedition of disposal are imperative. With a view to introduce such measures in the Huzur Secretariat as a first step and to train a sufficient number of officers through whom the reforms could reach the other public offices in the State in due time, the services of Mr. V. Sekhara Menon, who has just retired as Assistant Secretary to the Madras Government, and whose knowledge of the latest improvements in office routine and secretariat work is intimate, have been engaged.

60. Finance. Unlike the years 1096 and 1097, which resulted in deficits to the extent of Rs. 1·47 and ·48 lakhs respectively, the year 1098 closed with a surplus of Rs. 7·60 lakhs. The revenue under income-tax rose from Rs. 4·18 lakhs in 1097 to Rs. 5·02 lakhs in 1098, mainly as the result of taxing tea; a quasi-agricultural product. The rules issued on the subject provide for the assessment to income-tax of 25 per cent. of the income derived from that industry. While there has been a gradual fall in the revenue under excise during the last two years, the revenue under stamps and registration is steadily recovering. The working of the railway resulted in a large deficit last year, owing chiefly to the decrease in traffic, the very high rates of interest temporarily paid on loans and the increase in working charges ; but as the first two causes are not constant factors, it is not unreasonable to assume that such large deficits will soon be things of the past. The enhanced salt tax, no doubt, contributed to the large surplus of 1098; but even without that enhancement, the year would have closed with a surplus of nearly Rs. 3½ lakhs. No credit has been taken in the current year's budget on account of this enhancement beyond the month of February and yet this budget is expected to close with a surplus of over Rs. 2 lakhs. The prospects of the current year have so far been encouraging. All things considered, there is no reason to doubt the basic soundness of our financial position. Government do not, however, forget that their normal fiscal resources are not capable of indefinite expansion, and that, however much they may desire to advance along new lines of national reconstruction, the pace of such advance cannot be sufficiently rapid, so long as their resources are not substantially supplemented.

Popular Institutions.

61. Municipal Councils. The activities of the Municipal Councils have scarcely yet begun to move beyond routine lines, and hitherto several among the obligatory functions specified in Section 58 of Regulation V of 1095 have not been assumed even by the major municipalities of the State. Signs of a desire for fresh activities are, at the same time, not altogether wanting. The Municipalities of Nagercoil and Alleppey have taken over from Government the maintenance of minor roads and streets within their jurisdiction on receipt of the full Government grant during the first year and a moiety thereof during the succeeding four years, while those of Alwaye, Parur, Shencottah, Kuzhittura, Quilon and Trivandrum have set

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afoot small schemes for remunerative enterprises like the establishment of markets, slaughter-houses, and cart-stands. The Trivandrum Municipal Council has further engaged the services of an overseer for the supervision of public works, watering of roads, etc., which were hitherto left entirely to the care of Government. These are healthy signs of self-reliance and it is the sincere hope of the Government that such activities will multiply and pervade the life of the larger Municipal Councils in future. The fact, however, needs reiteration that the areas comprising the several municipalities of the State vary widely in their urban characteristics and the application of the provisions of one and the same Regulation to all these bodies alike cannot make for success. The Village Panchayat Bill, referred to in my Address last year, has already been introduced into the Legislative Council, and it is now passing through the Select Committee stage. When that Bill becomes law, as the Government trust it will in the near future, several of the present smaller Municipal Councils may circumscribe their activities within the ambit of its provisions, while the major municipalities and the few minor ones which have begun to reveal potentialities of urban development could avail themselves, with better readiness than before, of the improved opportunities which would be afforded by the Municipal Regulation when it is suitably amended. With the establishment of village panchayats in rural areas and with the retention of municipalities in places where alone there is real need for them, the Government trust that better days are in store for local self-government in the State.

62. The water-supply scheme for Trivandrum prepared by the late Mr. Banerji having been found to be too costly, a cheaper scheme for a combined water and electric supply to the town from the same source has been ordered to be prepared and it is now in progress. The filling up and raising the level of the Puttarikkantam swamp in the centre of Trivandrum town has also been commenced and the Public Works Department is proceeding with the work. It is also proposed to carry on a preliminary investigation for a water-supply scheme for the town of Nagercoil, one-half of the cost of the investigation being met by the Municipality and the other half by the Government.

63. Panchayat and Bench Courts. The Government are glad to note that their association of the people with the responsible work of administering civil and criminal justice is gaining increasing public confidence. The civil suits disposed of by the Panchayat Courts rose from 4,541 to 7,678 or by 69 per cent. during the last three years. The four First and four Second Class Magistrates' Benches established with effect from the 1st Dhanu, 1098 disposed of 5,871 cases during the first eight months of their tenure, giving an average of 734 cases per court. Since the close of 1098, two more Second Class Magistrates' Benches have been instituted, one at Parur and the other at Padmanabhapuram, from the 1st Chingam and the 1st Kanni, 1099, respectively.

64. Legislative Council. The Legislative Council, constituted under Regulation II of 1097, has now been at work for over a year and a half. The non-official members of the Council have not been slow to make a full and free use of the large powers vested in them under the new constitution ; and it is due to them to acknowledge that such use has on the whole been steadied by a sense of responsibility. Three meetings of the Council were held in 1098, lasting over a period of 26 days ; and besides transacting the usual legislative work, 548 interpellations were answered and 16 resolutions on matters of general public interest discussed at these meetings. Two meetings, extending over a period of 9 days, have been held in 1099 and it is proposed to hold two more meetings during the year. 251 interpellations were answered at the two meetings held in 1099 and 15 resolutions discussed. Prominent among the resolutions discussed in the Council so far are those relating to the establishment of a University in Travancore, the prohibition of the manufacture and importation of liquor except for medicinal purposes, the Kallar hydro-electric scheme, the restriction of public service to Travancoreans, the encouragement of vernaculars, the reduction of expenditure on salaries and allowances, the increase of outlay on minor irrigation works, the free cultivation of royal trees, the appointment of a retrenchment committee, the separation of the judiciary from the executive, the

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